Growing innovative ventures – An investigation of individual-opportunity nexuses

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Abstract

The importance of new ventures based on innovative products for economic prosperity has been frequently highlighted. However, the processes through which entrepreneurs create value on the market level using new ideas are not well understood. The objective of this thesis is to contribute towards the understanding of these processes. It starts out by providing a conceptualisation of the individual-opportunity nexus rooted in the entrepreneurship and the economic sociology literature. Against the backdrop of this literature, this thesis provides answers to questions as to how and why some individuals start innovative ventures; how these ventures are legitimised in a market; and how they are sustained given emerging rivalry.

To study these questions, four types of opportunities for creating innovative ventures were distinguished. Using this distinction, seventeen cases were selected based on publically available information. Data collection involved twenty-two face-to-face interviews which were complemented using secondary data. The resulting case data base was then explored for cross-case patterns within and across the four types of opportunities. These comparisons were used to develop new theory about innovative ventures.

The empirical results of this study show the existence of four individual-opportunity nexuses. These nexuses are not only relevant to how entrepreneurs become and stay involved in innovative ventures, but also to the challenges these ventures face. The study shows that there are distinct differences between the prior knowledge and the motivation of individuals pursuing a particular type of opportunity. Moreover, the type of opportunity pursued determines the challenges faced in legitimising innovative ventures. Whilst some entrepreneurs do not face major challenges in legitimising ventures or products, others have difficulties establishing their venture and/or their products as new economic entities. Finally, the study also shows differences regarding the intensity and the effects of emerging competition in the market of the innovative venture. Faced with these different environments, entrepreneurs need to aim at achieving fit between opportunity and strategy. Overall, this thesis contributes to the individual-opportunity nexus perspective of entrepreneurship and provides practical recommendations to individuals pursuing innovative ventures.
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